

HOUSE BILL 1651
By Maddox

AN ACT to amend Tennessee Code Annotated, Title 49, Chapter 3, Part 3, relative to the basic education program and funding for teachers' salaries

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. This act shall be known, and may be cited as the "True Cost Equity Funding for Instructional Salaries Act".

SECTION 2. Tennessee Code Annotated, Title 49, Chapter 3, Part 3, is amended by adding the following language as a new, appropriately designated section:

49-3-_____. True Cost Equity Funding for Instructional Salaries.

(a)

(1) Notwithstanding any other provision of law to the contrary, beginning with the 2005-2006 fiscal year, the Basic Education Program instructional salary component shall be the previous year's southeastern average instructional staff salary (i.e., \$42,234), and every year thereafter the salary component shall be updated with the previous year's southeastern average instructional staff salary.

(2) As used in this section, "southeastern average instructional staff salary" means the average salary of all public elementary and secondary positions that are in the nature of teaching or in the improvement of the teaching-learning situation. The average shall include salaries of consultants and supervisors of instruction, principals, teachers, guidance personnel, librarians, psychological personnel, and other

instructional staff computed as an average from twelve (12) southeastern states.

(3) Beginning with the 2005-2006 fiscal year, instructional salaries for professional positions shall be established as a separate section of the Basic Education Program. The state shall provide seventy percent (70%) of the funds generated by the Basic Education Program formula in this component section. Every local government shall appropriate funds sufficient to fund the local share of this instructional salary section and all other sections of the Basic Education Program as stipulated in Tennessee Code Annotated, Section 49-3-356.

(4) The test to determine local share shall include budgeted revenue from the following categories: county taxes: property taxes, in lieu of taxes, local option sales tax, hotel/motel tax, and wheel tax; city/special school district taxes: city appropriations; licenses and permits: marriage licenses and permits; interest earned: interest on investments; other local revenue: miscellaneous revenue; operating transfers: transfers from other funds. In addition, the test shall include any local revenue allocated for school debt service.

(5) True cost equity funding shall be totally funded by new or additional state revenue. It is the goal of this section to fund for all school systems the true cost of instructional salaries through the Basic Education Program.

(b) All new or additional state funds appropriated pursuant to the adoption of this act shall be used for instructional personnel salary increases or for increased employer payment of medical insurance premiums by those local education agencies which in the previous year had an instructional staff average salary lower than the southeastern average instructional staff salary used in the Basic Education Program instructional salary component. Local education

agencies that in the previous year had an average instructional staff salary equal to or above the southeastern average instructional staff salary used in the Basic Education Program instructional salary component may shift equity funding from the instructional salaries section to the classroom section including new or additional positions. However, nothing in this subsection or any other provision of law to the contrary shall be construed as prohibiting those local education agencies that have met the mandate in this paragraph from using new or additional state funds appropriated pursuant to the adoption of this act to increase instructional salaries.

(c) It shall be a violation of this section for any local education agency to use true cost equity funding to supplant total local current operating funds. In addition, nothing in this act shall be construed to expand or diminish the provisions of Tennessee Code Annotated Section 49-5-611.

(d) As part of the implementation of this section, each LEA shall establish a salary schedule for all professional education personnel that includes an established base salary for the teacher contract year. Annually each LEA shall submit to the commissioner a report on the LEA's payment or expenditure of the salary funds. Each report shall include the amounts paid pursuant to the established annual salary schedule for the school year, supplements paid for extra duties, any additional compensation, salary or supplements paid for work beyond the teacher contract year, and all other compensation of any kind paid to professional education personnel during or after the regular school year. The commissioner shall be entitled to specify the form of the reports and whether additional reports or documentation will be required.

(e) During implementation of the salary equity program outlined in this section, no member of any LEA's instructional staff shall suffer a reduction in salary from one (1) year to the next. The local board of education may, with the approval of the commissioner, make such readjustment in the salary of licensed

personnel as may be necessary to place the salary in fair relation to the salaries of other licensed personnel in the same LEA with comparable tenure, responsibility, training, and experience; except that the affected licensed personnel shall be entitled to a hearing before the local board.

(f) At the close of each fiscal year, any unexpended balance of salary equity funds appropriated pursuant to this section shall be carried forward into the subsequent fiscal year and shall be budgeted and expended for salary increase purposes by those local education agencies that are under the mandate stipulated in subsection (b).

(g) Nothing in this section shall prevent any LEA from supplementing salaries from its own local funds. Any board of education may increase the salaries, supplements, and wages of its employees at any time during the course of a school year upon the basis of a new or amended contract, if in so doing the LEA does not exceed its budget as adopted or amended.

SECTION 3. This act shall take effect upon becoming law, the public welfare requiring it.